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September 14, 2005

CC: CLIENT  
MAIL HAND  
DATE: 9/27/05

Robert C. Erwin  
Law Offices of Robert C. Irwin LLC  
733 West Fourth Avenue, Suite 304  
Anchorage, AK 99501

Re: *Fourth Avenue Gambell Limited Partnership*

Dear Mr. Erwin:

We received and reviewed your June 17 and July 25, 2005 letters concerning the Fourth Avenue and Gambell property in Anchorage, Alaska (the "Property"). Skinner Corporation requested that we respond to your letters and specifically to the unfounded assertions of Skinner Corporation's ownership of the Property and purported reporting obligations under Alaska law.

As a preliminary matter, your letters of June 17 and July 25, 2005 do not accurately describe the ownership and operational history of the Property. Contrary to your June 17, 2005 letter, Skinner Corporation never owned or operated the Property. Skinner Corporation did not sell the Property to the Fourth Avenue Gambell Limited Partnership in 2004. As you are well aware, Fourth Avenue Gambell Limited Partnership purchased the Property from NC Machinery, Inc. in May, 1979. As part of the 1979 sale of the Property, NC Machinery took back a note and deed of trust thereby becoming a secured creditor holding only indicia of ownership in the Property as a security interest. Not until the early 1990s, did your client inform NC Machinery, Inc. that a potential environmental issue existed at the Property. Your client raised this potential environmental issue as an offset to its failure to make payments under the note and deed of trust.

In 1994, NC Machinery, Inc. was dissolved and the note and deed of trust were assigned to Skinner Corporation. As part of the continuing efforts to protect its security interest in the Property and to work out your client's default under the note, Skinner Corporation commissioned an environmental investigation of the Property. It did not,

FOURTH AVENUE GAMBELL, LLC  
EXHIBIT QQ

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however, at any time fall within the definition of an owner, operator or possessor of the Property which would trigger any reporting obligation under applicable Alaska law. In particular, contrary to your statements to the ADEC, Skinner Corporation does not, and did not have at any time, any reporting obligation under applicable Alaska statutes and regulations AS 46.03.755 and 18 AAC 7500.

With respect to your client's receipt of the 1997 environmental investigation report, your statements to ADEC intimating that Skinner Corporation somehow improperly failed to disclose environmental conditions at the Property are absolutely false. As set forth in the February 5, 1998 letter from Michael O'Connell of Stoel Rives to you, we specifically requested that you confirm in writing your client's desire to have a copy of the report. Our files do not indicate any such written response to Mr. O'Connell's request. Furthermore, the insinuations you made to ADEC are further undermined by your own past correspondence in this matter. Your July 26, 1993 letter to NC Machinery indicated that your client had knowledge of a release to the environment at the Property more than 12 years ago. Your October 13, 1997 letter states that your client had, at that time, information concerning a leak of hydraulic fluid into the soils at the Property.

Most significantly, your May 6, 1997 letter specifically requested that Skinner Corporation conduct the investigation so that your clients would not be in possession of any information requiring disclosure to ADEC. For your, and ADEC's convenience, I have enclosed copies of your relevant letters. It is clear that your statements regarding Skinner Corporation's obligations to report environmental conditions at the Property are completely at odds with the actual facts and circumstances of the ownership, operation and control of the Property and, most poignantly, your client's long-standing knowledge of the release of oil and other hazardous substances at the Property.

Your statement that Skinner Corporation "sold" the Property to FGLP in 2004 is, like your allegations of reporting violations, absolutely false. As you know, in 2004 you filed a quiet title action on behalf of FGLP to clear title of the outstanding note and deed of trust from your client's 1979 purchase of the Property. Contrary to your assertions that Skinner Corporation owned or otherwise operated the Property, the allegations of your Quiet Title Complaint, which you signed, specifically state that FGLP has had "sole ownership and control" over the Property since 1979. A copy of your complaint is enclosed. Given the inability to recover on the note and deed of trust due to the passage of time, Skinner Corporation accommodated your request to reconvey the security interest it held in the Property rather than proceed with the quiet title action. Skinner Corporation did not "sell" the Property to your clients in 2004 – it merely released its security interest.

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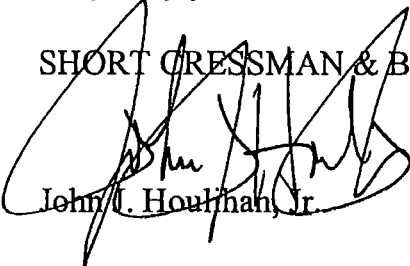
Your letters also allege that Skinner Corporation is somehow liable as a potentially responsible party under Alaska Statute 46.03.822.. As set forth above, Skinner Corporation never owned or operated the Property and clearly falls outside the definition of an owner or operator under Alaska Statute 46.03.826(8)(B). Skinner Corporation only held a security interest in the Property to secure your client's obligation to pay under the 1979 note. The secured creditor position of Skinner Corporation does not subject it to potential liability under the Alaska statutes. See, AS 46.03.826(8)(B); and *Parks Hiway Enterprises, LLC v. Cem Leasing Inc., et al.*, 995 P.2d 657 (S. Ct. Alaska 2000).

Finally, pursuant to your written request, enclosed is the December 1997 EPMI Site Characterization and Subsurface Investigation Report for the Property. Any reporting obligation arising from the information disclosed in this document is your client's and your client's obligation alone. If your client is only now attending to environmental issues on the Property it has known of since at least 1993 and that it has owned and exercised "exclusive control over" since 1979, we suggest your client refrain from its inaccurate portrayal of Skinner Corporation's security interest in the Property and acknowledge that any reporting obligations and remedial obligations rest squarely with them, not Skinner Corporation.

If you have any questions concerning Skinner Corporation's relationship to the Property, please contact me.

Very truly yours,

SHORT GRESSMAN & BURGESS PLLC



John T. Houlahan, Jr.

JJH:jko  
Enclosures

cc: David J. Pikul, Alaska DEC w/Encl.  
555 Cordova Street, Anchorage 99501  
Skinner Corporation w/Encl.